

REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 23 FEB 2023	DAY: THURSDAY
TABLED BY: Leader of Majority Party	
CEREMONY: THE TABLE	Joyce Lemerelle

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND - MUKURWE-INI
CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2021**



OFFICE OF THE AUDITOR GENERAL
CENTRAL REGIONAL OFFICE

★ 22 JUL 2022 ★

RECEIVED
P. O. Box 267 - 10100, NYERI.



MUKURWE-INI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector
Accounting Standards (IPSAS)

***Mukurwe-ini Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2016. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to:

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

To provide leadership and policy direction for effective and efficient management of the Fund

*Mukurwe-ini Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

Functions of NG-CDF Committee

The Functions of the NG-CDF Committee is as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

(b) Key Management

The MUKURWE-INI Constituency NGCDF day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	EDWIN NYAMU
2.	Sub-County Accountant	GRACE MWANGI
3.	Chairman NGCDFC	ROBERT GACHANJA
4.	Member NGCDFC	CHARLES MAINA

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of MUKURWE-INI Constituency NGCDF. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) MUKURWE-INI Constituency NGCDF Headquarters

P.O. Box 8-10103
NG-CDF Offices
Near Mukurwe-ini Police Station
Mukurwe-ini, Nyeri

(f) MUKURWE-INI Constituency NGCDF Contacts

Telephone: (254) 720255913

E-mail: mukurweini@cdf.go.ke

Website: mukurwe-iniconstituency.co.ke

(g) MUKURWE-INI Constituency NGCDF Bankers

Equity Bank Ltd

P.O Box 8-10103

Mukurwe-ini Branch

A/C NO. 0830297514775

(h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

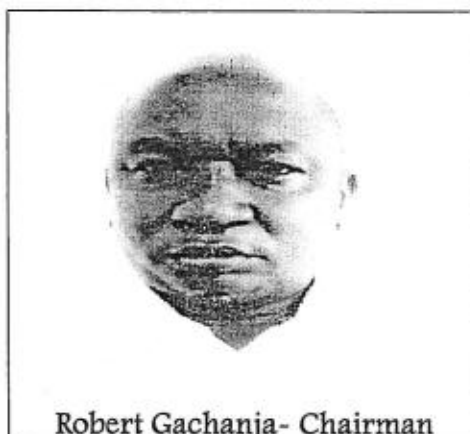
Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

II. NG-CDFC CHAIRMAN'S REPORT



Robert Gachanja- Chairman

Mukurwe-ini NG-CDF is an institution whose vision is to serve the community with utmost dedication and selflessness. We are also dedicated to be the reference constituency for development where all constituents enjoy decent living standards.

Through the allocation received from NG-CDF Board, Mukurwe-ini NG-CDF has managed to implement education and security projects together with well organised constituency sports tournament.

Our primary and secondary schools' infrastructures have been constructed or rehabilitated thus creating a conducive environment to learners and teachers.

The NG-CDFC intensified the monitoring and evaluation exercise and also carried out several capacity building exercises for the NG-CDFC, staff and PMCs.

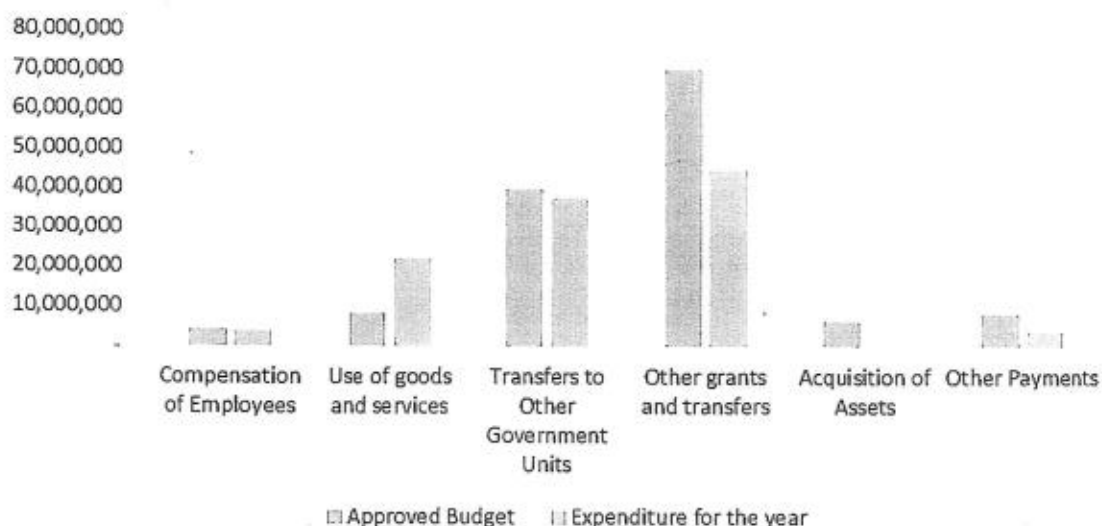
Our key achievement has been access to quality and equal opportunity in education by giving bursaries to the less fortunate and persons with disabilities both in secondary and tertiary level.

I want to congratulate the NG-CDF fraternity for the utmost support.

Below is the graphical representation of the total expenditure.

Mukurwe-ini Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

**Comparison of Budgeted Against Actual Expenditure
(Millions)**



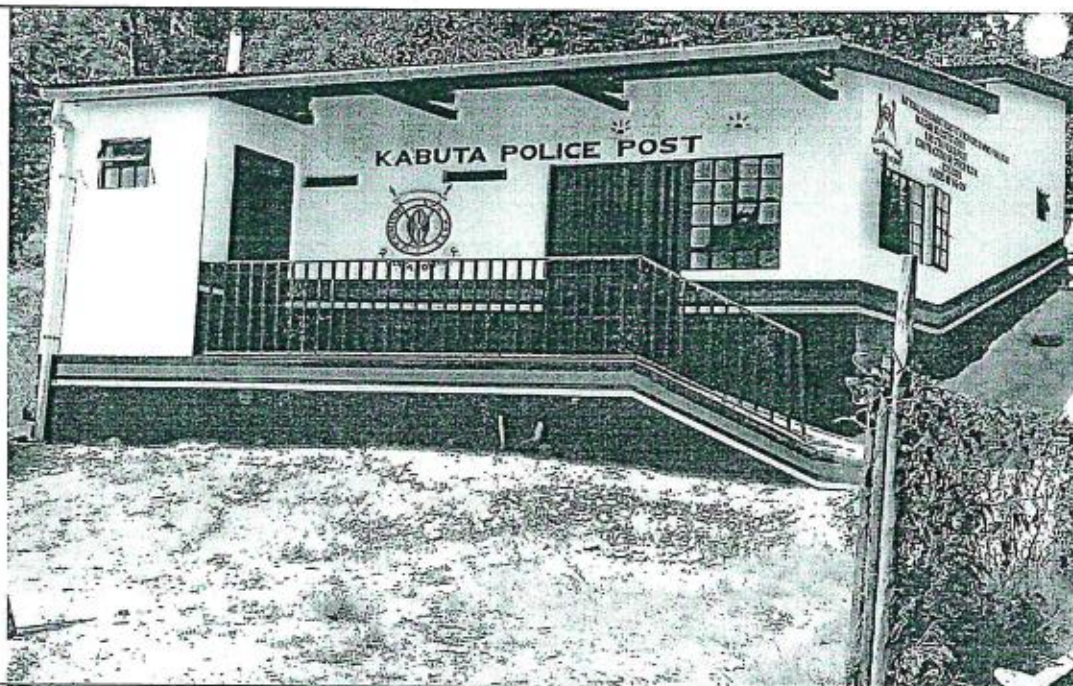
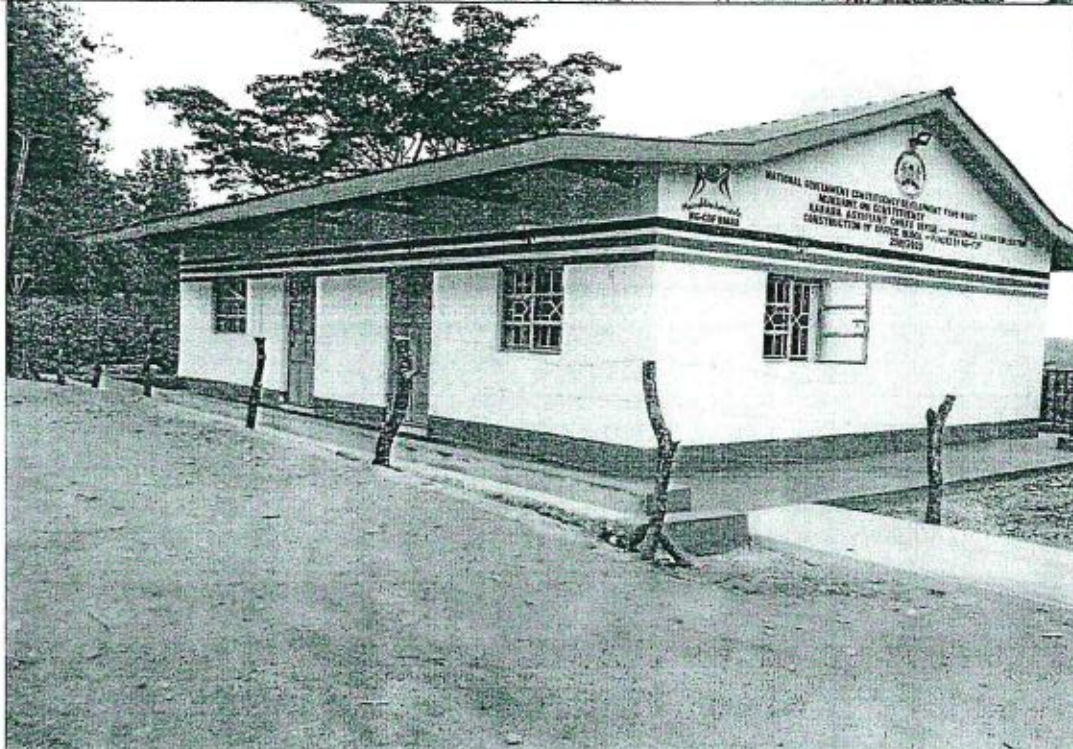
Below are photos of successfully implemented projects during the year.

SECTOR	NAME OF PROJECT	PICTORIAL
Sports	Football league	

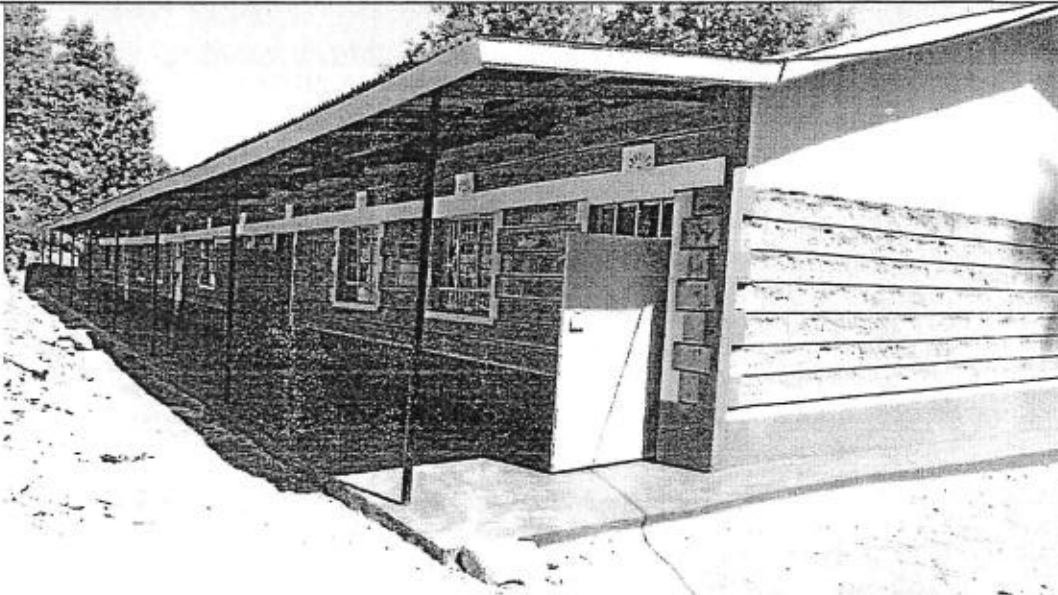
Mukurwe-ini Constituency

National Government Constituencies Development Fund (NGCDF)

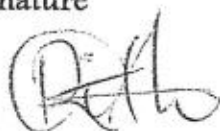
Reports and Financial Statements for The Year Ended June 30, 2021

Security	Kabuta Police Post	
Security	Mufonga Assistant Chief's Office	

*Mukurwe-ini Constituency
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Education	Ithanji Primary School- Renovation of 4 No. Classrooms	
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Signature



CHAIRMAN NGCDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED OBJECTIVES

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of NGCDF-MUKURWE-INI Constituency's 2018-2022 plan are to:

- Improve education performance in primary, secondary and tertiary colleges within Mukurwe-ini constituency
- Enhance security and promote social cohesion.
- Harness opportunities to empower youth, women and persons with disabilities through sports, talent development and business innovations.
- Mainstream environment conservation through community driven environmental programs.
- Ensure robust road infrastructure for accelerated constituency development.

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To improve school infrastructure, sanitation and learning environment. To promote PWDs friendly learning environment	Increased enrolment in primary schools and improved transition to secondary schools. To enhance learning environment for PWDs	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions Number of bursary beneficiaries at all levels	In FY 20/21 Number of classrooms increased by 20 Number of laboratories increased by 2 Number of ablution blocks increased by 9 Number of library 1
Security	To provide a robust security system in the constituency that will enhance	Enhanced security infrastructure, patrols and working	Number of usable physical infrastructure built in every ward and police	Number of assistant chief's offices increased by 9

	investment through optimal security infrastructure and personnel	environment.	station.	
Sports	To initiate and support talent identification and development shows	Enhanced talent identification and nurturing them.	Indoor games have been promoted. FKF Soccer League introduced.	Number of teams increased by 32
ICT	To create a community that embraces technology.	Enhanced development data generation, analysis and dissemination	Number of usable ICT hubs with internet connectivity. Enrolment of youth to Ajira Digital programs	Number of ICT hubs increased from 0 to 2 Number of youth enrolled for Ajira Digital program increase from 89 to 135

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

MUKURWE-INI NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. Sustainability strategy and profile -

To ensure sustainability of MUKURWE-INI NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** MUKURWE-INI NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

Mukurwe-ini NG_CDF supports sport activities in the Constituency, currently one of own fully sponsored team is among leading teams in the Nyeri County. We are in front line in maintaining our green environment in our constituency. In our region we experience two season of rainfalls and at every season we make sure we have mobilized pupils' in both primary and secondary schools together with community in tree planting activities. We also invite youth in various workshops where they are taught effects of drugs while creating awareness of available jobs opportunities in the region.

3. Employee welfare

We invest in providing the best working environment for our employees. Mukurwe-ini constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Mukurwe-ini constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

MUKURWE-INI NGCDF Constituency is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

-
- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
 - b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
 - c) Responsible marketing and advertisement
 - d) Product stewardship by safeguarding consumer rights and interests

5. Community Engagements-

MUKURWE-INI NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

Public Participation in Project Identification and Implementation and Monitoring

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns and holding community meetings.

MUKURWE-INI NG-CDF have continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.

V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.


The Accounting Officer in charge of the NGCDF-MUKURWE-INI Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-MUKURWE-INI Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- MUKURWE-INI Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF MUKURWE-INI Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- MUKURWE-INI Constituency financial statements were approved and signed by the Accounting Officer on _____ 2021.



Chairman NGCDF Committee
Name: Robert Gachanja



Fund Account Manager
Name: Edwin Nyamu

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUKURWE-INI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Mukurwe-Ini Constituency set out on pages 15 to 59,

which of comprise the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Mukurwe-Ini Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituency Development Fund Act, 2015.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Mukurwe-Ini Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

1. Budgetary Control and Performance

The comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.267,733,569 and Kshs.204,547,536 respectively resulting to an under-funding of Kshs.63,186,033 or 24% of the budget. Similarly, the Fund expended Kshs.111,824,048 against an approved budget of Kshs.267,733,569, resulting into an under expenditure of Kshs.155,909,521 or 58%.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Unresolved Prior Year Matters

In the audit report of the previous year, a number of paragraphs were raised under the Report on Financial Statements. However, Management has not resolved the issues nor

disclosed all the prior year matters as provided for by the Public Sector Accounting Standards Board templates.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Irregular Award of Contract

The statement of receipts and payments reflects an amount of Kshs.37,603,903 in respect of transfers to other government entities as disclosed in Note 6 to the financial statements. The amount includes Kshs.2,000,000 that was transferred to tertiary institutions. The transfer was for the purpose of proposed phase 1 Ground floor works for construction of tuition block and perimeter fence for Kenya Medical Training College (KMTC) at Mukurweini. The contract was awarded on 19 March, 2021 at a contract sum of Kshs.35,000,000 with a completion date of 30 September, 2021. However, review of tender evaluation report revealed that recommended evaluated tender price was Kshs.48,421,928. The amount exceeded the contract price and the budget of Kshs.35,000,000 by Kshs.13,421,928 or 38.3 % contrary to Section 132(2) of the Public Procurement and Assets disposal Act, 2015 which requires that in the case of bids above the available budget, an Accounting Officer of a procuring entity shall - (a) reveal its available budget to the bidders; and (b) limit its invitation to bidders whose evaluated prices are not more than twenty five percent above the available budget.

Further, the Fund did not provide a report of the competitive negotiation submitted to the head of procurement function for professional opinion and onward submission to the Accounting Officer for approval. This is contrary to Regulation 100(1) of the Public Procurement and Asset Disposal Act, Regulations, 2020 which provides that; In using competitive negotiations as provided for under section 131 of the Act and in applying the procedure set out in section 132 of the Act, an Accounting Officer of a procuring entity shall appoint an ad hoc evaluation committee pursuant to Section 46(4) of the Act to negotiate with the bidder on the recommendation of the head of the procurement function.

In the circumstances, Management was in breach of the law.

2. Poor Project Implementation

During the year under review, the Fund transferred Kshs.37,603,903 as disclosed in Note 6 to the financial statements to other Government entities. However, physical verification of the projects in the month of May, 2022 revealed payments to uncompleted projects as detailed below;

2.1. ACK Kiuu Secondary School

The Fund transferred an amount of Kshs.2,500,000 to the Project Management Committee (PMC) account for installation of columns, walling, beams, finishes and slab of a two (2) storied classrooms. At the ACK Kiuu secondary school, the tender for the project was awarded at a contract price of Kshs.2,490,230 with an expected completion date of 31 October, 2021. However, physical verification revealed that windows, doors, plastering, floor finishes and paint works worth Kshs.331,380 as per the bill of quantities had not been completed.

2.2 Gaikundo Administration Police Post

The Fund transferred an amount of Kshs.1,500,000 to the PMC account on 27 November, 2020 for the renovation of 2 offices, roof repairs, ceiling, painting, replacement of steel door and windows at Gaikundo Administration Police Post. However, physical verification revealed that hacking off of the existing floor screed, plaster to the wall, wall paints, roof paints and purchase of water tank complete with tank base totalling to Kshs.603,700 as per priced bill of quantities had not been done as at the time of audit.

2.3 Wanjithi Primary School

The Fund disbursed Kshs.1,021,272 to the PMC account on 8 August, 2021 for leveling of the playing ground at Wangithi primary school. However, as at the time of physical verification the playing field was not leveled and instead the soil was removed leaving a deep hole in the playing field rendering it hazardous for use.

2.4 Nyakahuho Primary School

The Fund disbursed Kshs.1,871,892 to the PMC account on 3 June, 2021 for renovation of 5 class rooms at Nyakahuho primary school. However, the removal of the old corrugated roof cover, damaged timber, natural stone walling, roofing with sawn cypress, matching ridges and valleys, UPVC gutters and UPVC down pipes at a cost of Kshs.363,420 as per the priced bill of quantities had not been done at the time of the audit verification. Further the bill of quantities required that the use of Pre-painted box profile gauge 28 roofing sheets - MRM grade or any other equal. However, the physical verification revealed that the contractor used maisha mabati gauge 30 that were not box profiled and pre-painted.

In the circumstances, value for money on the above projects had not been realized by the citizens.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease its operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathunga, CBS
AUDITOR-GENERAL

Nairobi

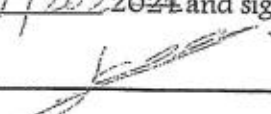
06 September, 2022

Mukurwe-ini Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021


VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	161,768,542	139,542,906
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	<u>39,000</u>	<u>723,329</u>
TOTAL RECEIPTS		161,807,542	140,266,235
PAYMENTS			
Compensation of employees	4	3,679,381	3,482,869
Use of goods and services	5	22,145,835	23,178,530
Transfers to Other Government Units	6	37,603,903	21,973,430
Other grants and transfers	7	44,881,413	36,822,015
Acquisition of Assets	8	0	178,000
Other Payments	9	<u>3,513,514</u>	<u>0</u>
TOTAL PAYMENTS		111,824,046	85,634,844
SURPLUS/(DEFICIT)		<u>49,983,496</u>	<u>54,631,391</u>

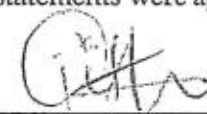
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MUKURWE-INI Constituency financial statements were approved on 22/07/2022 and signed by:


Fund Account Manager
Name: Edwin Nyamu

FUND ACCOUNT MANAGER
NG-CDF MUKURWE-INI
P. O. Box 8-10103,
MUKURWE-INI


National Sub-County
Accountant
Name: Grace Mwangi
ICPAK M/No:

THE NATIONAL SUB-COUNTY ACCOUNTANT
MUKURWEINI
P. O. Box 245 - 10103,
MUKURWEINI


Chairman NG-CDF Committee
Name: Robert Gachanja

*Mukurwe-ini Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	108,262,880	57,739,995
Cash Balances (cash at hand)	10B	0	0
Total Cash and Cash Equivalents		108,262,880	57,739,995
Accounts Receivable			
Outstanding Imprests	11	0	0
TOTAL FINANCIAL ASSETS		108,262,880	57,739,995
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	0	0
Gratuity	12B	1,618,167	1,078,778
TOTAL FINANCIAL LIABILITIES		1,618,167	1,078,778
NET FINANCIAL ASSETS		106,644,713	56,661,217
REPRESENTED BY			
Fund balance b/fwd		56,661,217	2,029,826
Prior year adjustments	14	0	0
Surplus/Deficit for the year		49,983,496	54,631,39
NET FINANCIAL POSITION		106,644,713	56,661,217

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MUKURWE-INI Constituency financial statements were approved on 22/07/2022 2021 and signed by:

Fund Account Manager
Name: Edwin Nyamu
NG-CDF MUKURWE-INI
P. O. Box 8-10103,
MUKURWE-INI

National Sub-County
Accountant
Name: Grace Mwangi
ICPAK M/No:
THE NATIONAL SUB-COUNTY ACCOUNTANT
MUKURWE-INI
P. O. Box 245 - 10103,
MUKURWE-INI

Chairman NG-CDF Committee
Name: Robert Gachanja

Mukurwe-ini Constituency
National Government Constituencies Development Fund (NGCDF)
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STATEMENT OF CASHFLOW

		2020 – 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	161,768,542	139,542,906
Other Receipts	3	39,000	723,329
Total receipts		161,807,542	140,266,235
Payments for operating activities			
Compensation of Employees	4	3,679,381	3,482,869
Use of goods and services	5	22,145,835	23,178,530
Transfers to Other Government Units	6	37,603,903	21,973,430
Other grants and transfers	7	44,881,413	36,822,015
Other Payments	9	3,513,514	0
Total payments		111,824,046	85,456,844
Total Receipts Less Total Payments		49,983,496	
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	0	0
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	539,389	329,401
Prior year adjustments	14	0	0
Net cash flow from operating activities		50,522,885	55,138,792
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	9	0	178,000
Net cash flows from Investing Activities		0	(178,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		50,522,885	54,960,792
Cash and cash equivalent at BEGINNING of the year	10	57,739,995	2,779,203
Cash and cash equivalent at END of the year		108,262,880	57,739,995

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MUKURWE-INI Constituency financial statements were approved on 22/5/2022 and signed by:

Fund Account Manager
Name: Edwin Nyamu

National Sub-County
Accountant

Name: Grace Mwangi
IGBAKIM 2019 COUNTY ACCOUNTANT
MUKURWEINI
P.O. Box 245 - 10103,
MUKURWEINI

Chairman NG-CDF Committee

Name: Robert Gachanja

*MUKURWE-LINI Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*


IX. SUMMARY STATEMENT OF APPROPRIATION


Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	A	b	c=a+b	d	e=c-d	f=d/c %	
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021		
RECEIPTS	2020/2021						
	Kshs		Kshs	Kshs	Kshs	Kshs	
Transfers from NGCDF Board	137,088,879	57,739,995	72,865,695	267,694,569	204,508,536	63,186,032	76.40%
Proceeds from Sale of Assets				-	-	-	0.00%
Other Receipts		39,000		39,000	39,000	-	100.00%
TOTALS	137,088,879	57,778,995	72,865,695	267,733,569	204,547,536	63,186,032	76.40%
PAYMENTS							
Compensation of Employees	3,951,155	1,521,816	-	5,472,971	3,679,381	1,793,590	67.23%
Use of goods and services	8,206,844	13,807,440	180,000	22,194,284	22,145,835	48,449	99.78%
Transfers to Other Government Units	39,900,000	40,410,739	32,793,164	113,103,903	37,603,903	75,500,000	33.25%
Other grants and transfers	70,310,853	2,000,000	35,717,531	108,028,384	44,881,413	63,146,971	41.55%
Acquisition of Assets	6,400,000		550,000	6,950,000	-	6,950,000	0.00%
Other Payments	8,320,027		3,625,000	11,945,027	3,513,514	8,431,514	29.41%
Funds pending approval**		39,000		39,000		39,000	
TOTALS	137,088,879	57,778,995	72,865,695	267,733,569	111,824,046	155,909,523	41.77%


- i. *Compensation of employees', transfer to other government units, other grants and transfers, acquisition of assets and other payments underutilisation was due to delayed disbursement from the Board*

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	155,909,523
Less undisbursed funds receivable from the Board as at 30 th June 2021	48,186,032
	107,723,491
Add Accounts payable	539,389
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2020/2021	108,262,880

The NGCDF-MUKURWE-INI Constituency financial statements were approved on 22/07/2021 and signed by:


Fund Account Manager
Name: Edwin Nyamu
FUND ACCOUNT MANAGER
NG-CDF MUKURWE-INI
P. O. Box 8-10103,
MUKURWE-INI


National Sub-County
Accountant
Name: Grace Mwangi
ICPAK M/No:
THE NATIONAL SUB-COUNTY ACCOUNTANT
MUKURWEINI
P. O. Box 245 - 10103,
MUKURWEINI


Chairman NG-CDF Committee
Name: Robert Gachanja

*MUNUKWE-LINI Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

X. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and ALA	Previous Years' Outstanding Disbursements			
	Kshs		Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,951,155	1,521,816		5,472,971	3,679,381	1,793,590
1.2 Committee allowances	2,061,368	4,775,000		6,836,368	6,820,000	16,368
1.3 Use of goods and services	2,032,809	500,240	180,000	2,713,049	2,703,055	9,994
Total	8,045,332	6,797,056	180,000	15,022,388	13,202,436	1,819,952
2.0 Monitoring and evaluation						-
2.1 Capacity building	2,000,000	4,980,200		6,980,200	6,962,500	17,700
2.2 Committee allowances	1,280,000	3,552,000		4,832,000	4,830,300	1,700
2.3 Use of goods and services	832,666			832,666	829,980	2,686
Total	4,112,666	8,532,200	-	12,644,866	12,622,780	22,086
3.0 Emergency						-
Emergency	7,192,207	2,000,000	-	9,192,207	5,500,000	3,692,207
Total	7,192,207	2,000,000	-	9,192,207	5,500,000	3,692,207

*Mukurwe-ini Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.0 Bursary and Social Security				-		-
4.1 Secondary Schools	19,180,000		3,590,000	22,770,000	4,436,035	18,333,965
4.2 Tertiary Institutions	16,505,091		4,360,378	20,865,469	13,505,378	7,360,091
4.3 Social Security				-		-
4.4 Special Needs				-		-
Total	35,685,091	-	7,950,378	43,635,469	17,941,413	25,694,056
5.0 Sports				-		-
5.1 Sports	1,741,778			1,741,778	990,000	751,778
Total	1,741,778	-	-	1,741,778	990,000	751,778
				-		-
6.0 Environment				-		-
6.1 Environment	1,741,778		1,317,153	3,058,931		3,058,931
Total	1,741,778	-	1,317,153	3,058,931	-	3,058,931
7.0 Primary Schools Projects				-		-
Karaba Primary School	1,500,000			1,500,000		1,500,000
Nyakahuho Primary School	1,500,000			1,500,000		1,500,000
Mutwewathi Primary School	3,300,000			3,300,000		3,300,000

MURURWE-INT CONSTITUENCY
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and ALA	Previous Years' Outstanding Disbursements			
Ichamara Primary School	1,000,000			1,000,000		1,000,000
Gathukimundu Primary School	1,400,000			1,400,000		1,400,000
Githagara Primary School	2,000,000			2,000,000		2,000,000
Gachiro Primary School	2,300,000			2,300,000		2,300,000
Kagariri Primary School	2,000,000			2,000,000		2,000,000
Mbugwa Primary School	1,400,000			1,400,000	1,400,000	-
Kiirungi Primary School	1,000,000			1,000,000		1,000,000
Kigathi Primary School	2,000,000			2,000,000		2,000,000
Gakira Primary School			750,000	750,000	750,000	-
Wanjithi Primary School			1,021,272	1,021,272	1,021,272	-
Gatura Primary School			200,000	200,000	200,000	-
Itharji Primary School			2,200,000	2,200,000	2,200,000	-
Magarijo Primary School			1,000,000	1,000,000	1,000,000	-
Mutonga Primary School			100,000	100,000	100,000	-
Kariara Primary School			450,000	450,000	450,000	-
Mukui Primary School				500,000		-

*Mukurwe-ini Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
			500,000		500,000	
Thukuma Primary School			2,000,000	2,000,000	2,000,000	-
Gikondi Primary School			200,000	200,000	200,000	-
Githunguri Primary School			1,000,000	1,000,000	1,000,000	-
Nyakahuho Primary School			1,871,892	1,871,892	1,871,892	-
				-	-	-
				-	-	-
				-	-	-
Total	19,400,000	-	11,293,164	30,693,164	12,693,164	18,000,000
8.0 Secondary Schools Projects						
Ndiaini Girls Secondary School	3,000,000			3,000,000		3,000,000
Rev. Muhoro Secondary School for the deaf	2,000,000			2,000,000		2,000,000
Wamutitu Secondary School	3,000,000			3,000,000		3,000,000
St. Augustine Gikondi Secondary School	5,500,000			5,500,000		5,500,000
South Tetu Girls Secondary School	1,000,000			1,000,000	1,000,000	-
Mukurwe-ini Boys High School	3,000,000			3,000,000		3,000,000

Mukurwe-ini Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2020/2021	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021	
St. Cecilia Kaheti Girls Secondary School	3,000,000			3,000,000		3,000,000
Ngamwa Secondary School		410,739		410,739	410,739	-
Karaba Secondary School			1,500,000	1,500,000	1,500,000	-
St. Thomas Gatura Secondary School			2,000,000	2,000,000	2,000,000	-
Karundu Secondary School			1,000,000	1,000,000	1,000,000	-
Kibutio Secondary School			3,500,000	3,500,000	3,500,000	-
Giathugu Secondary School			3,000,000	3,000,000	3,000,000	-
Tambaya Secondary School			3,500,000	3,500,000	3,500,000	-
ACK Kiuu Secondary School			200,000	200,000	200,000	-
ACK Kiuu Secondary School			2,500,000	2,500,000	2,500,000	-
Kiluti Secondary School			2,000,000	2,000,000	2,000,000	-
Rev Muhoro Secondary School			2,300,000	2,300,000	2,300,000	-
				-		-
Total	20,500,000	410,739	21,500,000	42,410,739	22,910,739	19,500,000
9.0 Tertiary institutions Projects				-		-
Mukurwe-ini KMTC		40,000,000		40,000,000	2,000,000	38,000,000

**Mukurwe-ini Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Total	-	40,000,000	-	40,000,000	2,000,000	38,000,000
10.0 Security Projects						
Rural Electrification Authority	5,000,000			5,000,000		5,000,000
Gatura Assistant Chief's Office	2,200,000			2,200,000		2,200,000
Gikondi Police Post	3,750,000			3,750,000		3,750,000
Ithajji Assistant Chief's Office	2,200,000			2,200,000		2,200,000
Kiharo Assistant Chief's Office	2,200,000			2,200,000		2,200,000
Mbiuni Chief's Office	2,200,000			2,200,000		2,200,000
Gathea Assistant Chief's Office	2,200,000			2,200,000		2,200,000
Igana Chief's Office	1,000,000			1,000,000		1,000,000
Karaba Police Post	1,000,000			1,000,000		1,000,000
Kaharo Assistant Chief's Office	2,200,000			2,200,000		2,200,000
Mutonga Asst. Chief's Office			1,100,000	1,100,000	1,100,000	-
Kabuta Police Post			2,200,000	2,200,000	2,200,000	-
Gaikundo AP Post			1,500,000	1,500,000	1,500,000	-
Mukurwe-ini Police Headquarter			3,750,000	3,750,000	3,750,000	-

*Mukurweini Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2020/2021	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021	
Mutonga Asst. Chief's Office			900,000	900,000	900,000	-
Gikondi Chief's Office			2,000,000	2,000,000	2,000,000	-
Mukurwe-ini South ACC HQ			4,000,000	4,000,000	4,000,000	-
Mukurwe-ini East ACC HQ			4,000,000	4,000,000	4,000,000	-
Kariara Asst. Chief's Office			1,000,000	1,000,000	1,000,000	-
Bohero, Kibutio, Wamachatha and Gatiki			6,000,000	6,000,000	-	6,000,000
						-
Total	23,950,000	-	26,450,000	50,400,000	20,450,000	29,950,000
11.0 Acquisition of assets						-
11.1 Motor Vehicles	6,400,000		-	6,400,000	-	6,400,000
11.2 Construction of CDF office	-		550,000	550,000	-	550,000
11.3 Purchase of furniture and equipment	-		-	-	-	-
11.4 Purchase of computers	-		-	-	-	-
Total	6,400,000	-	550,000	6,950,000	-	6,950,000
12.0 Other payments						-
Furniture	1,800,000		3,625,000	5,425,000	1,175,000	4,250,000
CIH						

National Government Constituencies Development Fund (NGCDF)

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Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	4,677,027			4,677,027	2,338,514	2,338,514
Covid banners and posters	1,843,000			1,843,000	-	1,843,000
				-	-	-
				-	-	-
Total	8,320,027	-	3,625,000	11,945,027	3,513,514	8,431,514
13.0 unallocated fund				-	-	-
Unapproved projects				-	-	-
AIA		39,000		39,000		39,000
PMC savings				-	-	-
Total	-	39,000	-	39,000	-	39,000
	137,088,879	57,739,995	72,865,695	267,733,569	111,824,046	155,909,523

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

XI. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits (gratuity and retentions).

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the NGCDF-MUKURWE-INI Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the entity for all the years presented.

a) Recognition of Receipts

The entity recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the Entity.

Transfers from the National Government Constituency Development Fund (NG-CDF)

Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

Proceeds from Sale of Assets

Proceeds from disposal of assets are recognized as and when cash is received in the constituency account.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from sale of tender documents, rent receipts, interest earned on bank balances, hire of Plant/Equipment/Facilities, Unutilized funds from PMCs among others.

Unutilized Funds from PMCs.

All unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognised as other receipts upon return to the constituency account.

External Assistance

External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance received.

b) Recognition of payments

The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the entity.

Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

Use of Goods and Services

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each constituency and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

5. In-kind contributions

In-kind contributions are donations that are made to the constituency in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the constituency includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. Cash and Cash Equivalents.

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

7. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the entity at the end of the financial year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

10. Unutilized Fund

Unutilized funds consist of bank balances in the constituency account and funds not yet disbursed by the Board to the constituency at the end of the financial year. These balances are available for use in the subsequent financial year to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(2) of NGCDF Act, 2015

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 2020 for the period 1st July 2020 to 30th June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

12. Comparative Figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

14. Errors

Material prior period errors are corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

15. Related Party Transactions

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa.

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XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO B041097	1		33,040,058
AIE NO B041150	2		4,000,000
AIE NO B047622	3		20,000,000
AIE NO B104131	4		20,000,000
AIE NO B049395	5		15,000,000
AIE NO B096624	6		14,000,000
AIE NO B104420	7		15,000,000
AIE NO B096811	8		18,502,848
AIE NO B404761	1	2,000,818	
AIE NO B104946	2	69,367,724	
AIE NO B124773	3	1,000,000	
AIE NO B119584	4	8,500,000	
AIE NO B128217	5	6,900,000	
AIE NO B199976	6	12,000,000	
AIE NO B129179	7	10,000,000	
AIE NO B132273	8	6,000,000	
AIE NO B138942	9	12,000,000	
AIE NO B105029	10	11,000,000	
AIE NO B126234	11	8,000,000	
AIE NO B140672	12	15,000,000	
TOTAL		161,768,542	139,542,906

2. PROCEEDS FROM SALE OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Total	0	0

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from sale of tender documents	39,000	0
Hire of plant/equipment/facilities	0	0
Unutilized funds from PMCs	0	0
Other Receipts Not Classified Elsewhere	0	723,329
Total	39,000	723,329

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,932,632	2,477,572
Personal allowances paid as part of salary		
House Allowance	0	0
Transport Allowance	0	0
Leave allowance	0	0
Gratuity to contractual employees- Paid	0	275,228
Gratuity to contractual employees- Provision	539,389	539,389
Employer Contributions Compulsory national social security schemes	207,360	190,680
Total	3,679,381	3,482,869

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses	7,874,800	9,396,600
Utilities, supplies and services	125,000	120,000
Communication, supplies and services	1,213,240	140,000
Domestic travel and subsistence	0	190,750
Printing, advertising and information supplies & services	0	131,100
Water & Sewerage charges	5,210	0
Training expenses	0	0
Hospitality supplies and services	0	0
Other committee expenses	10,738,000	11,145,500
Fuel, oil and lubricants	450,000	850,000
Insurance costs	0	0
Specialized materials and services	0	0
Office and general supplies and services	953,585	599,950
Other operating expenses	18,900	214,320
Routine maintenance – vehicles and other transport equipment	767,100	376,500
Routine maintenance – other assets		13,810
Total	22,145,835	23,178,530

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	12,693,164	10,398,818
Transfers to secondary schools (see attached list)	22,910,739	11,574,612
Transfers to tertiary institutions (see attached list)	2,000,000	0
TOTAL	37,603,903	21,973,430

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	3,233,795	13,123,464
Bursary – tertiary institutions (see attached list)	12,903,498	2,977,670
Bursary – special schools (see attached list)	0	0
Mock & CAT (see attached list)	1,804,120	2,497,988
Social Security programmes (NHIF)	0	0
Security projects (see attached list)	20,450,000	7,941,893
Sports projects (see attached list)	990,000	3,850,000
Environment projects (see attached list)	0	5,300,000
Emergency projects (see attached list)	5,500,000	1,131,000
Total	44,881,413	36,822,015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	0	178,000
Purchase of Specialized Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
Total	0	178,000

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	1,175,000	0
ICT Hub	2,338,514	0
	3,513,514	0

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
<i>Equity Bank, Mukurwe-ini 0830297514775</i>	108,262,880	57,739,995
Total	108,262,880	57,739,995
10B: CASH IN HAND		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations	0	0
Total	0	0
Disclosures		

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer</i>	dd/mm/yy	0	0	0
<i>Name of Officer</i>	dd/mm/yy	0	0	0
<i>Total</i>				0

12A. RETENTION

	2020-2021	2019-2020
	KShs	KShs
Retention as at 1 st July (A)	0	0
Retention held during the year (B)	0	0
Retention paid during the Year (C)	0	0
Closing Retention as at 30 th June D= A+B-C	0	0

12B. GRATUITY

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 st July (A)	1,078,778	539,389
Gratuity held during the year (B)	539,389	539,389
Gratuity paid during the Year (C)	0	0
Closing Gratuity as at 30 th June D= A+B-C	1,618,167	1,078,778

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13. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	57,739,995	2,779,203
Cash in hand	0	0
Imprest	0	0
Total	57,739,995	2,779,203

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	0	0	0
Cash in hand	0	0	0
Accounts Payables	0	0	0
Receivables	0	0	0
Others	0	0	0
TOTAL	0	0	0

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST*

	2020-2021	2019-2020
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	0	0
Imprest issued during the year (B)	0	0
Imprest surrendered during the Year (C)	0	0
closing accounts in account receivables D= A+B-C	0	0

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020 – 2021	2019 - 2020
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	1,078,778	0
Deposit and Retentions held during the year (B)	539,389	539,389
Deposit and Retentions paid during the Year (C)	0	209,988
closing account payables D= A+B-C	1,618,167	329,401

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	0	0

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	0	0
Others	0	0
	0	0

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	1,793,590	1,314,733
Use of goods and services	48,449	1,000,000
Amounts due to other Government entities (see attached list)	75,500,000	47,471,272
Amounts due to other grants and other transfers (see attached list)	63,146,971	57,011,834
Acquisition of assets	6,950,000	372,000
Others (<i>specify</i>)	8,431,513	2,450,000
Funds pending approval	39,000	-
	155,909,523	109,619,839

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	17,151,801	10,832,187
	17,151,801	10,832,187

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount A	Date Contracted b	Amount Paid To- Date C	Outstanding Balance 2020 d=a-c	Comments
Construction of buildings					
1.	0	0	0	0	
2.	0	0	0	0	
3.	0	0	0	0	
Sub-Total	0	0	0	0	
Construction of civil works					
4.	0	0	0	0	
5.	0	0	0	0	
6.	0	0	0	0	
Sub-Total	0	0	0	0	
Supply of goods					
7.	0	0	0	0	
8.	0	0	0	0	
9.	0	0	0	0	
Sub-Total	0	0	0	0	
Supply of services					
10.	0	0	0	0	
11.	0	0	0	0	
12.	0	0	0	0	
Sub-Total	0	0	0	0	
Grand Total	0	0	0	0	

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2021	Comments
NG-CDFC Staff				
1.			0	
2.			0	
3.				
Sub-Total				
Grand Total				

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2019/20	Comments
Compensation of employees		1,793,590	1,314,733	
Use of goods & services		48,449	1,000,000	
Amounts due to other Government entities				
Mukurwe-ini KMTC		-	13,000,000	
Gikondi Primary School			200,000.00	
Mukui Primary School			500,000.00	
Kariara Primary School			450,000.00	
Mutonga Primary School			100,000.00	
Thukuma Primary School			2,000,000.00	
Itharji Primary School			2,200,000.00	
Magarjio Primary School			1,000,000.00	
Gatura Primary School			200,000.00	
Wanjithi Primary School			1,021,272.17	
Gakira Primary School			1,000,000.00	
St. Thomas Gatura Secondary School			2,000,000	

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Ack Kiuu Secondary School				2,500,000	
Kibutio Secondary School				3,500,000	
Rev. Muhoro Secondary School				2,300,000	
Karindi Secondary School				4,500,000	
Giathugu Secondary School				3,000,000	
Kihuti Secondary School				2,000,000	
Tambaya Secondary School				3,500,000	
Karaba Secondary School				1,500,000	
Karundu Secondary School				1,000,000	
Karaba Primary School			1,500,000		
Nyakahuho Primary School			1,500,000		
Mutwewathi Primary School			3,300,000		
Ichamara Primary School			1,000,000		
Gathukimundu Primary School			1,400,000		
Githagara Primary School			2,000,000		
Gachiro Primary School			2,300,000		
Kagarii Primary School			2,000,000		
Kiirungi Primary School			1,000,000		

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Kigathi Primary School		2,000,000		
Ndiaini Girls Secondary School		3,000,000		
Rev. Muhoro Secondary School for the deaf		2,000,000		
Wanufitu Secondary School		3,000,000		
St. Augustine Gikondi Secondary School		5,500,000		
Mukurwe-ini Boys High School		3,000,000		
St. Cecilia Kaheti Girls Secondary School		3,000,000		
Mukurwe-ini KMTC		38,000,000		
Sub-Total		75,500,000	47,471,272	
Amounts due to other grants and other transfers				
Emergency		3,692,207	6,032,253	
Bursary		25,694,055	24,529,581	
Sports		751,778	-	
Environment		3,058,931	-	
Security				
Bohero, Kibutio, Wannachatha and Gatiki			6,000,000	
Kariara Asst. Chiefs Office			1,000,000	
Gikondi Chiefs Office			2,000,000	
Mutonga Asst. Chiefs Office				

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Kabuta Police Post				2,000,000	
Mukurwe-ini East Acc Office				2,200,000	
Mukurwe-ini South Acc Office				4,000,000	
Mukurwe-ini Police Headquarter				4,000,000	
Gaikundo AP Post				3,750,000	
Rural Electrification Authority				1,500,000	
Gatura Assistant Chief's Office			5,000,000		
Gikondi Police Post			2,200,000		
Ithanji Assistant Chief's Office			3,750,000		
Kiharo Assistant Chief's Office			2,200,000		
Mbiuni Chief's Office			2,200,000		
Gathea Assistant Chief's Office			2,200,000		
Igana Chief's Office			1,000,000		
Karaba Police Post			1,000,000		
Kaharo Assistant Chief's Office			2,200,000		
Bohero, Kibutio, Wamachatha and Gatiki			6,000,000		
Sub-Total			63,146,971	57,011,834	
Sub-Total			140,489,010	106,797,839	

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Acquisition of assets		550,000	372,000	
Acquisition of Motor Vehicle		6,400,000		
Others				
Furniture		4,250,000	2,450,000	
CIH		2,338,513		
Covid banners		1,843,000		
	Sub-Total	155,870,523		
Funds pending approval		39,000		
	Total	155,909,523	109,619,839	

*Mukurwe-ini Constituency
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	0	0	0	0
Buildings and structures	24,272,409	0	0	24,272,409
Transport equipment	21,581,182	0	0	21,581,182
Office equipment, furniture and fittings	3,281,691	0	0	3,281,691
ICT Equipment, Software and Other ICT Assets	1,308,127	0	0	1,308,127
Other Machinery and Equipment	0	0	0	0
Heritage and cultural assets	0	0	0	0
Intangible assets	0	0	0	0
Total	50,443,409	0	0	50,443,409

*Mukurwe-ini Constituency
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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2021

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
MUKURWE-INI SPORTS TOURNAMENT NG-CDF PMC	Equity Bank	0830170946920	4,538	4,778
MUKURWE-INI ENVIRONMENT NG-CDF	Equity Bank	0830173286249	28,786	28,786
NINGAINI PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830176850849	1,471	1,471
GIKONDI PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830177172745	205,130	5,130
KARIARA PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830176904778	449,955	45
ST. JOHN THUNGURI SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830177325501	131,303	964,521
ST. AUGUSTINE GIKONDI SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830177159257	14,748	14,748
RUTUNE SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830177325501	1,380	1,380
NGAMWA SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830177223051	1,583	0
ACK KIUU SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830176984205	2,131,716	102,585
ST ANNE GITHUNGURI SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830176984507	56,539	1,033,874
MWERU SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830178452846	662	662
GIKONDI AP POST NG-CDF PMC	Equity Bank	0830171870637	456,545	456,545
REV MUHORO SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830171738704	1,811,452	265,418
MUKUI PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830177687679	501,350	232,794
KARAGURIRIO PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830177361177	59,853.00	470,084
KARIARA ASSISTANT CHIEF OFFICE NG-CDF PMC	Equity Bank	0830177304276	1,063,574	63,574
NGAMWA PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830177709308	30.00	0
KAHETI BOYS HIGH SCHOOL NG-CDF PMC	Equity Bank	0830177830843	23,620	361,673
KIANG'ONDU PRIMARY NG-CDF PMC	Equity Bank	0830168569503	540	540
TAMBAYA AP POST NG-CDF PMC	Equity Bank	0830170946920	87,837.10	87,837
SOUTH TETU GIRLS HIGH SCHOOL NG-CDF PMC	Equity Bank	0830173286249	33,971	1,171,083
THANGATHI AP POST NG-CDF PMC	KCB Bank	1228738238	0	13,571

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PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
KIREREMA ASSISTANT CHIEF'S OFFICE NG-CDF PMC	KCB Bank	1228739315	0	2,614
MIHUTI ASSISTANT CHIEF'S OFFICE NG-CDF PMC	KCB Bank	1230072764	0	83,022
KARABA AP POST NG-CDF PMC	KCB Bank	1228737975	0	228,565
KAHARO AP POST NG-CDF PMC	KCB Bank	1228738858	0	78,398
WANJITHI CHIEF'S OFFICE NG-CDF PMC	KCB Bank	1230070982	0	193,751
GAKINDU CHIEF'S OFFICE NG-CDF PMC	KCB Bank	1228737371	0	113,592
DCC OFFICIAL RESIDENCE NG-CDF PMC	KCB Bank	1253636281	0	-
ICHAMARA AP POST NG-CDF PMC	Equity Bank	0830279531603	242	435,237
GATHUNGURURU GIRLS SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830279557032	262	240,482
GATHIRITI SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830279557349	870,729	871,241
KIAMURATHE PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830279560142	86,003	323,360
GATHIRITI PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830279571093	381	222,420
ICHAMARA PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830279575834	118,864	222,008
KARINDI PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830279588994	76,831	182,245
KINURI PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830178885082	815	815
KANGURWE PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830179522563	155,330	266,063
NGORU ORTHODOX SECONDARY SCHOOL - CDF PROJECT	Equity Bank	0830179842241	260	1,000,000
KARUNDU PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830179880165	410	154,895
GAIKUNDO PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830179898499	185,773	932,380
MUTWEWATHI PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830180375348	53,014	0
KIANYAGA PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830180373099	48,274	0
NGUURA PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830180372237	59,434	0
GITHI PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830180371245	45,414	0
MUKURWEINI KMTC NG-CDF PMC	Equity Bank	0830180348066	106,690	0

Mukurwe-ini Constituency**National Government Constituencies Development Fund (NGCDF)****Reports and Financial Statements for The Year Ended June 30, 2021**

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
KARUNDU SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830180339674	1,000,000	0
MUKURWEINI POLICE HEADQUARTERS NG-CDF PMC	Equity Bank	0830180326251	210,060	0
GIKONDI CHIEF'S OFFICE NG-CDF PMC	Equity Bank	0830180325645	1,085,342	0
MAGANJO PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830180297369	90,367	0
KIBUTIO SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830180297343	1,383,185	0
GIATHUGU SECONDARY SCHOOL	Equity Bank	0830180297065	326,878	0
GIATHUGU SECONDARY SCHOOL	Equity Bank	0830180297065	326,878	0
TAMBAYA BOYS HIGH SCHOOL NG-CDF PMC	Equity Bank	0830180296993	815,467	0
GAIKUNDO A.P POST NG-CDF PMC	Equity Bank	0830180296838	993,179	0
WATHINJI PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830180048700	462	0
GAKIRA PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830180048400	190	0
MUTONGA ASSISTANT CHIEF'S OFFICE NG-CDF PMC	Equity Bank	0830180048329	373,155	0
ITHANJI PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830180048041	368,219	0
GATURA PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830180047637	200,000	0
KARABA SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830180047382	806,258	0
KABUTA POLICE POST NG-CDF PMC	Equity Bank	0830280228525	296,338	0
MUKURWE-INI PROJECTS FURNITURE NG-CDF PMC	Equity Bank	0830180505045	514	0
Total			17,151,801	10,832,187

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.1	<p>Retention fee payable decreased from Kshs.209,988 in financial year 2018/2019 to a zero balance as at 30th June 2020 according to the Statement of Assets and Liabilities and Note 16 to the financial statements. It was however noted that the decrease in the retention fee payable was not recognized as a cash outflow in the Statement of Cash flow.</p> <p><i>Statement of Receipts and Payments</i></p> <p>Payments relating to other grants and transfers for the financial year 2019/2020 amounted to Kshs.36,857,003. Included in the balance of Kshs.36,857,003 is retention monies of Kshs.34,988 released a contractor in financial year 2019/2020, relating to payments made in year 2018/2019. Similarly, other payments of Kshs.175,000 reported in statement of receipts and payments and note 9 to the financial statements relate to retention monies for a payment made in year 2018/2019. The release of the retention fees to the contractors is not an expenditure and was therefore erroneously reported as payments for financial year</p>	<p>i. The statement of cash flow has been amended.</p> <p>ii. Other Grants and Transfers has been amended</p> <p>iii. Other receipts' budget performance has been amended</p> <p>iv. Final budget amounts in respect of Transfer to</p>	Resolved	

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Refere nce No. on the extern al audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2019/2020.	<p>Summary Statement of Appropriation: Recurrent and Development Combined</p> <p>The Summary Statement of Appropriation: Recurrent and Development Combined, reports actual figure of Kshs.723,329 in respect of other receipts, against a budgeted amount of Kshs.1,738,297. The actual receipts (other receipts) represent 41.6% of the budgeted amount, but the statement reports a budget performance of 71.3%.</p> <p>Budget Execution by Programmes and Sub-Programmes</p> <p>Budget Execution by Programmes and Sub-Programmes reports a final budget figure of Kshs.50,471,272 in respect of Transfers to Other Government Entities, which differs from an amount of Kshs.70,444,702 reflected in the Summary Statement of Appropriation: Recurrent and Development Combined. Similarly, Other Grants and Transfers final budget amount of Kshs.90,926,948 reported in the Budget Execution by Programmes and Sub-Programmes varies from the figure reported in the Summary Statement of Appropriation: Recurrent and Development Combined of Kshs.93,868,841 by Kshs.2,941,893. The variances were occasioned by failure by the fund manager to take into consideration, budgetary adjustments in arriving at the final budget.</p>	<p>Other</p> <p>Government Entities and Others Grants and Transfers, in the Budget Execution by Programmes and Sub-Programmes have been amended, PMC balances figure has been amended.</p> <p>v.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<i>PMC Account Balances</i> Disclosure note 17.4 to the financial statements reflects PMC balances of Kshs.10,122,083 in respect of financial year 2018/2019 which differs with an amount of Kshs.14,056,551 reported under annex 5 to the financial statements.			
4.2	The statement of receipts and payments and note 1 to the financial statements reflect transfers from NGCDF board of Kshs.106,040,058. The transfers of Kshs.106,040,058 however exclude receipts of Kshs.15,000,000 and Kshs.18,502,847.55 received on 25 th February and 27 th May 2020 respectively. These disbursements although received into the fund during financial year 2019/2020, had been erroneously posted in the cash book as receipts for year 2020/2021.	Transfer from the NG-CDF Board have been adjusted	Resolved	
4.3	The statement of receipts and payments and note 1 to the financial statements reflect transfers from NGCDF board of Kshs.106,040,058. The transfers of Kshs.106,040,058 however exclude receipts of Kshs.15,000,000 and Kshs.18,502,847.55 received on 25 th February and 27 th May 2020	Transfer from the NG-CDF Board have been adjusted as per Annex 1	Resolved	

**Mukurweini Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)							
	respectively. These disbursements although received into the fund during financial year 2019/2020, had been erroneously posted in the cash book as receipts for year 2020/2021.										
	Mukurweini NGCDF had budgeted for receipts totaling to kshs.194,925,282 to finance projects during financial year 2019/2020. However, total receipts during the financial year 2019/2020, including balance brought forward from financial year 2018/2019, amounted to Kshs.143,045,437.55 representing 73% of the budgeted amount. Further, out of the total expenditure budget for financial year 2019/2020 of Kshs.194,925,282, the constituency had incurred an expenditure of Kshs.85,305,443, as at 30 th June 2020. This translates to an absorption rate of 44%. Details are as follows: <table><tr><th>Programme</th><th>Final Budget (Kshs.)</th><th>Actual Amount (Kshs)</th><th>Utilization Difference (Kshs.)</th></tr><tr><td>Compensation of Employee</td><td>4,010,303.92</td><td>2,943,479.92</td><td>1,066,824.00</td></tr></table>	Programme	Final Budget (Kshs.)	Actual Amount (Kshs)	Utilization Difference (Kshs.)	Compensation of Employee	4,010,303.92	2,943,479.92	1,066,824.00	Resolved	
Programme	Final Budget (Kshs.)	Actual Amount (Kshs)	Utilization Difference (Kshs.)								
Compensation of Employee	4,010,303.92	2,943,479.92	1,066,824.00								
4.4	<i>The Auditor's recommendations in ensuring projects rolled over to the following financial year are implemented without delay and also liaising with NG-CDF Board for timely release of funds will be implemented.</i>										

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Reference No. on the external audit Report	Issue / Observations from Auditor				Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Use of Goods and services	23,426,435.27	23,178,530.00	247,905.27	99 %		
	Transfer to other Government Units	70,444,701.97	21,973,429.80	48,471,272.17	31%		
	Other Grants and Transfers	93,868,840.80	36,857,003.00	57,011,837.80	39%		
	Acquisition of Assets	550,000.00	178,000.00	372,000.00	32%		
	ICT and Strategic Plan	2,625,000.00	175,000.00	2,450,000.00	7%		
	Grand Total	194,925,281.96	85,305,442.72	109,619,839.24	44%		
	The NGCDF recorded low absorption rates on all development projects with all development programmes having an absorption rate of less than 50%. The management cited Covid 19 pandemic as a contributing factor in the low funds absorption of development funds.						
4.5	Mukurweini NGCDF had an approved expenditure budget of Kshs.194,925,282, comprising of both recurrent and development				Untimely release of funds from the NG-CDF Board is the cause of delay of project	Resolved	

Mukurwe-ini Constituency
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Refere nce No. on the extern al audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																								
	<p>expenditure of Kshs.27,436,739.19 (14%) and Kshs.167,488,542.77 (86%) respectively for the year under review. During the financial year 2019/2020, the NG CDF had planned to implement a total of 58 projects at an estimated cost of Kshs.167,488,542.77. As at 30th June 2020, Kshs.59,183,432.80 had been disbursed to the projects, representing 35% of the budget for the projects. Out of the 58 projects budgeted for, 26 had been completed, 1 was ongoing while 31 had not started. Therefore, the overall level of completion for the projects budgeted for in year 2019/2020 is 45% as at 30th June, 2020. Details are as follows:</p> <table><tr><th>Programme/ Subprogramme</th><th>Final Budget</th><th>Actual Amount (Kshs)</th><th>% OF COMPLETION</th><th>NO.OF PROJECTS BUDGETED</th><th>NO.OF COMPLETE PROJECTS</th></tr><tr><td>Emergency</td><td>7,198,241</td><td>1,165,988</td><td>0%</td><td>1</td><td>0</td></tr><tr><td>Bursary</td><td>43,128,703</td><td>18,599,122</td><td>0%</td><td>1</td><td>0</td></tr><tr><td>Sports</td><td>3,850,002</td><td>3,850,000</td><td>100%</td><td>1</td><td>1</td></tr></table>	Programme/ Subprogramme	Final Budget	Actual Amount (Kshs)	% OF COMPLETION	NO.OF PROJECTS BUDGETED	NO.OF COMPLETE PROJECTS	Emergency	7,198,241	1,165,988	0%	1	0	Bursary	43,128,703	18,599,122	0%	1	0	Sports	3,850,002	3,850,000	100%	1	1	completion		
Programme/ Subprogramme	Final Budget	Actual Amount (Kshs)	% OF COMPLETION	NO.OF PROJECTS BUDGETED	NO.OF COMPLETE PROJECTS																							
Emergency	7,198,241	1,165,988	0%	1	0																							
Bursary	43,128,703	18,599,122	0%	1	0																							
Sports	3,850,002	3,850,000	100%	1	1																							

**Mukurwe-ini Constituency
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Reference No. on the external audit Report	Issue / Observations from Auditor										Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Environment	5,300,000	5,300,000	100%	1	1	0	0	0				
4.6	Primary Schools	19,070,090	10,398,818	47%	19	9	0	0	10	Resolved	We have written to Rural Electrification and Renewable Energy Corporation for enquiry of the implementation status.		
	Secondary Schools	37,374,612	11,574,612	41%	17	7	0	0	10				
	Tertiary Projects	14,000,000	0	0%	1	0	0	0	1				
	Security Projects	34,391,893	7,941,893	36%	14	5	0	0	9				
	Acquisition of assets	550,000	178,000	0%	1	0	1	0	0				
	Others	2,625,000	175,000	50%	2	1	0	0	1				
		167,488,541	59,183,433	45%	58	26	1	1	31				
	The National Government Constituency Fund -Mukurweini paid kshs 5,000,000 to Rural Electrification and Renewable Energy Corporation for the supply of four transformers to four administrative Divisions. The amount was a matching fund to the corporation to facilitate the installation of transformers in Mukurweini West, Mukurweini Central, Gikondi and Rugi. The amount was paid vide payment voucher dated 17.04.2020. No acknowledgement from the corporation was provided to show that the money was received.										It was further observed that no memorandum of understanding was signed between the Corporation and the NG-CDF Mukurweini on the said project for the		

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Refere nce No. on the extern al audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	co-funding. As at the time of audit, the transformers had not been installed. No justification was provided for the delay in the installation of transformers.			
4.7	The National Government Constituency Fund – Mukurweini reflects, under annex 4 to the financial statements, assets with an historical cost of Kshs.52,504,955. It was noted that out of these assets, only transport equipment valued at Kshs.21,581,182 had been insured. This contrary to section 36(3) of The National Government Constituencies Development Fund Act, 2015, which requires all assets to be insured in the name of the board.	<i>The Auditors' recommendation in taking appropriate measures to ensure that all assets are insured is being implemented. The activity is in procurement process.</i>	Resolved	